

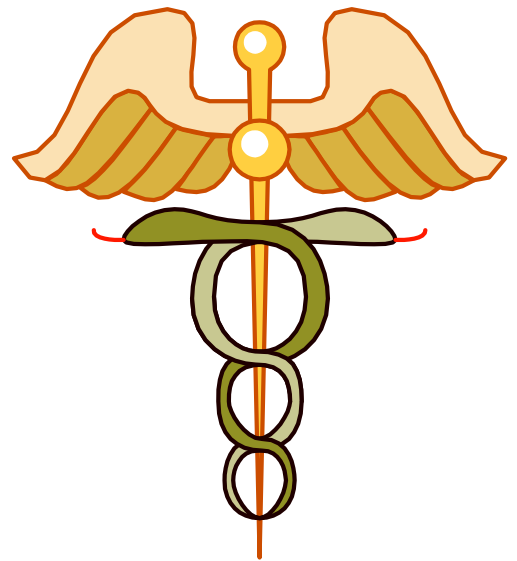


MEDICAL EQUIPMENT AND SERVICES

Philippines

Market Overview

- ▶ The **\$100 million** Philippine medical products market* is **growing steadily at 5-6%** annually.
- ▶ Strong preference exists for **U.S. products**, which hold **25-30% market share**.
- ▶ **80,000 beds** are installed at over **1,700 hospitals**.
- ▶ **Budget** for Government hospitals is roughly **\$200 million**.
- ▶ Medical equipment is **98% imported**, 50% of disposables are imported.
- ▶ Medical equipment is **not subject to product registration**, except for radiation emitting devices.



Number of Hospitals	
Government	640
Private	1,068
TOTAL	1,708
Bed Capacity	
Government	40,202
Private	39,242
TOTAL	79,444



Market Access

- ▶ Local or regional **distributors manage product licensing, registration and clearance**, when necessary.
- ▶ By law, local **distributors** must **register** with the **Bureau of Food and Drugs (BFAD)** before operating.
- ▶ Distributors typically **pay via Letter of Credit** with terms varying between **90 to 180 days**.
- ▶ Medical products and equipment are subject to a **3% import tariff duty**.
- ▶ **10% Value Added Tax** payable upon import, but retrievable upon sale to end-user.

Competition

- ▶ Most product categories compete on **quality, after-sales and warranty services, financing and price**.
- ▶ **Japanese** equipment manufacturers are **growing market share slightly** by offering seller financing with favorable repayment terms.
- ▶ **Lower cost** producers from **China** and Singapore are displacing higher priced European brands like Siemens, but still have **reputation for poor quality**.
- ▶ **Highest end products** are sometimes funded by donor organizations, such as **USAID or the Asian Development Bank**, which follow standard international competitive bidding regulations.

Commercial Opportunities

- ▶ Strongest demand exists for **new equipment** used in diagnosis and treatment of **heart and lung disease, kidney failure and strokes**.
 - ▶ **Electrocardiographs**
 - ▶ **Dialysis instrument and machines**
 - ▶ **Ultrasonic scanning devices**
 - ▶ **Pacemakers**
 - ▶ **Electro-myographs**
 - ▶ **Ultraviolet & infrared ray devices**
- ▶ Steady demand exists across the board for **used and refurbished** medical equipment.
- ▶ Rural areas require disposables and equipment to treat **malaria, dengue fever and typhoid**.

Learn more about how we promote U.S. products and services in the Philippines by visiting our website at www.BuyUSA.gov/Philippines or by contacting Commercial Attaché Brent Omdahl at Manila.Office.Box@mail.doc.gov.

